

EXHIBIT B

Excerpts from the Deposition of B. Gialketsis

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UNITED STATES DISTRICT COURT

DISTRICT OF NEVADA

* * * * *

CROWN BEVERAGES, INC., a
Nevada corporation,

Plaintiff,

vs.

Case No.
3:16-cv-00695-MMD-VPC

SIERRA NEVADA BREWING CO., a
California corporation; DOES
I through X, inclusive,

Defendants.

VIDEOTAPED DEPOSITION OF

BILL GIALKETSIS

Las Vegas, Nevada

April 13, 2017

9:03 a.m.

Reported by: Heidi K. Konsten, RPR, CCR
Nevada CCR No. 845 - NCRA RPR No. 816435
JOB NO. 385089

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1 Videotaped deposition of BILL GIALKETSIS,
2 Volume 1, taken at 3883 Howard Hughes Parkway,
3 Suite 1100, Las Vegas, Nevada, on Thursday, April
4 13, 2017, at 9:03 a.m., before Heidi K. Konsten,
5 Certified Court Reporter in and for the State of
6 Nevada.

7

8 APPEARANCES OF COUNSEL

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21 Also present: Terrell Holloway, Videographer

22

23 * * * * *

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1 yeah, we're going to get -- you know, we didn't
2 say anything really about it.

3 **Q All right. In terms of the -- how**
4 **out-of-code beer is handled, what did Mr. Bond**
5 **tell you?**

6 A Well, he explained to me how they -- how
7 they monitor the accounts, how the salesmen go
8 into the accounts, how they check -- they're
9 expected to check the code dates. His -- his
10 process for picking up the beer. How -- how
11 information about monitoring and code dates is --
12 is dispensed in the organization. We talked a
13 little about the level of training that his people
14 have, those -- those things.

15 **Q How did Crown's process compare to**
16 **Bonanza's process for out-of-code beer?**

17 A In a lot of ways, it -- it's the same.
18 In a lot of ways, it's the same. In some ways,
19 it's not.

20 **Q How did it differ?**

21 A I think we have more formal policies,
22 you might say. I think -- you know, one thing I
23 didn't really ask him about is how he -- who picks
24 up the beer or who's responsible for picking up
25 the beer and who's -- who's -- you know, my

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1 impression that I gathered from him was that the
2 salesmen do most of the work. That was my
3 impression. I'm not sure that's 100 percent
4 correct.

5 In my distributorship, I actually have a
6 team of people that -- that go out and -- and
7 audit accounts. In -- in some of the big hotels,
8 I also have teams of people that go into the
9 hotels and rotate all of the locations, because
10 it's just not possible for a single salesman to do
11 that.

12 Now, I didn't -- I got the impression
13 from him that -- that the work -- most of the work
14 was done by the salesmen, but I'm not sure about
15 that.

16 Q In terms of the -- in terms of the Reno
17 market, are you familiar with what Morrey
18 Distributing or New West or Southern Wine &
19 Spirits up in the Reno area do to -- in response
20 to -- or to monitor or respond to out-of-code
21 product issues?

22 A No, I'm not.

23 Q All right. And let's go into the
24 written -- the formal written policies.

25 Do you think those policies that Bonanza

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1 has are useful?

2 A I do.

3 Q Why?

4 A Well, I just think -- I think it's
5 better to get it on record, and I think it's
6 better -- it just puts people on notice. It's
7 better than just -- for the same reason, it's
8 better to get a signature on a document saying
9 that you showed something to somebody than to just
10 tell them.

11 Now, that's -- now, those are hard
12 lessons to learn sometimes. I mean, we've
13 definitely been in the position where we've --
14 we've done it by the seat of our pants, so to
15 speak. And it served us well for many, many, many
16 years. But, you know, I think it's better to have
17 a written policy.

18 Q In the Las Vegas market, do most of the
19 distributors have written policies and teams of
20 lawyers?

21 A I don't know.

22 Q You don't know?

23 A Lawyers?

24 Q I meant to say -- did I say lawyers?

25 MR. REID: You did.

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1 charges them for every case of old beer that they
2 find.

3 Q Do you -- do you think that provides a
4 salesman an incentive to either leave the beer on
5 the market or to just pay full retail themselves
6 for it?

7 A A good salesman, if he cleans up his
8 route, will pay for some of the beer. Does it
9 provide an incentive? Absolutely not. I don't
10 think so.

11 You know, the way we do it, I -- you
12 know, I did not discuss with Paul what his
13 progressive discipline policy is in this regard.
14 But with us, you get -- one strike, you get
15 written up. Two strikes, you get written up
16 again. Third strike, you get suspended. Fourth
17 time, you lose your job. That's how we do it.

18 Q Got it.

19 Do you know if Crown has -- in all of
20 the documents you've looked at -- has a policy
21 like that at all?

22 A I understand that -- and this is
23 conversationally, that he -- he'll fire somebody
24 if they have excessive old beer. But I saw no
25 documentation of that in -- in anything that I

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1 **Q And what types of accounts would you**
2 **visit?**

3 A Well, for example, I -- I was part of a
4 presentation recently where we presented a
5 sponsorship deal to Stations Casino, and that was
6 with the -- a guy named -- the -- basically the
7 entire executive team from Stations corporate. So
8 the guy who is in charge of hospitality, the guy
9 who is in charge of purchasing, the chief
10 financial officer for the corporation, that kind
11 of a presentation. A boardroom presentation.

12 **Q How important in your business is it to**
13 **have a positive relationship with your retail**
14 **accounts?**

15 A It's everything.

16 **Q Why is that?**

17 A Because they -- they decide whether
18 you -- whether you live or die, to put it a little
19 dramatically.

20 **Q Are your beer brands -- the brands you**
21 **carry are also important I guess to some degree;**
22 **correct?**

23 A Important to me?

24 **Q Important to the market.**

25 A I hope so.

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1 A I think it was for four or five days, if
2 I recall. It was a few years ago. But, yeah,
3 I've had -- believe me, yeah, I've had stuff like
4 that.

5 **Q Have you had to terminate any employees**
6 **who kind of crossed the line with retail accounts**
7 **or anything like that?**

8 A Yeah. For example, recently, which --
9 end of last year, I had a merchandiser -- you
10 know, Nevada Beverage, their merchandisers -- I
11 don't know if was a merchandiser or sales --
12 anyway, he left his -- his iPad sitting on a stack
13 of beer. Now, I don't know if he left the
14 account. I think he did. I think he left it.

15 One of the -- one of my merchandisers
16 stole the -- stole the iPad. I don't know if he
17 thought he was being clever or what he thought he
18 was doing. But they caught him on camera doing
19 it, so, yeah, I canned him.

20 **Q Would you ever tolerate any of your**
21 **merchandisers or people using profanity towards**
22 **anyone in the market?**

23 A I -- you know, it's -- that's a tough
24 question. I mean, strictly speaking, no. But
25 do -- the problem is that everybody uses profanity

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1 these days, including your customers. And, you
2 know, I've seen -- I've been in a situation where
3 a salesman or a -- or a customer uses -- you know,
4 uses what might be considered crud language, and
5 it's just part of the dialogue.

6 So not strictly speaking, but if --
7 pardon me. If a salesman or somebody used
8 language and -- you know, to -- to insult
9 somebody, that would not be acceptable.

10 **Q What would the consequences be?**

11 A Well, it would depend on the
12 circumstances and then, you know, how -- how
13 verifiable and, you know, who was there and -- but
14 it could be pretty severe. But it -- yeah, it --

15 **Q What about to your suppliers, would you**
16 **let any of your people curse, use profanity in**
17 **anger or agitation or frustration, as opposed to**
18 **casually to any of your suppliers?**

19 A Well, in any business relationship,
20 there's always frustrations. There's -- sometimes
21 there's frank conversations. There's -- you know,
22 sometimes there's anger, and it has to be managed.

23 I don't know that there's any super
24 strict rules about what's -- what's inbounds and
25 what's not, beyond any -- beyond physical

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1 violence.

2 Q And in terms -- do you guys have a
3 policy against the usage of profanity?

4 A I don't believe that we do.

5 Q If one of your managers, for example,
6 called one of your retailers a lying effing B,
7 what would the consequences of that be?

8 A If I knew it happened and I knew that
9 was true?

10 Q Yes.

11 A You know, I would have to weigh the
12 circumstances and weigh the -- weigh what happened
13 and -- and I might just leave it to his supervisor
14 to decide. But I think at least it would merit
15 some kind of letter in their file or maybe a
16 suspension and maybe a firing.

17 Q You don't think that's good for the
18 Bonanza brand and the market to have people using
19 profanity towards retailers? You would agree with
20 that?

21 A In the -- in the way you say it?

22 Q Yes.

23 A You know, cursing somebody out?

24 Q Yes.

25 A No, I don't.

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1 important.

2 Q Have -- has Bonanza ever terminated --
3 let me -- let me take a step back.

4 Have you ever in your career at Bonanza
5 or in the market generally heard of an instance
6 where someone in a management position at a
7 distributorship cursed out a retailer?

8 A You know, I -- I would be hesitant to
9 say that I have never heard of something like that
10 happening, but I certainly can't recount a time.

11 Q All right. That's a pretty extreme
12 event. You would agree?

13 A Yeah, I guess I would.

14 Q All right. Now, in terms of your
15 opinions in your expert report, there were --
16 there were certain credibility judgments that you
17 made in terms of whether you thought someone was
18 telling the truth or not.

19 Do you recall making those in your
20 report?

21 MR. REID: The question is overbroad
22 and vague.

23 THE WITNESS: If you want to tell me
24 what you're talking about, I'll answer the
25 question.

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1 A Yes.

2 Q Okay.

3 A Yes.

4 Q Turning back to your expert report,
5 which is Exhibit 2 --

6 A But I want to repeat what I said, which
7 is my overall recollection is that there's not
8 much substantiation of these claims of Paul -- I
9 believe one claim was that he stood out on the
10 dock or something and yelled at drivers coming
11 back, "I'm going to burn your ass" or something
12 like that. I saw nothing to substantiate that.

13 Q If that did happen, if he did make a
14 comment of the nature that you just described,
15 would you think that was unprofessional?

16 A I would.

17 Q Do you, in your contracts with your
18 distributors, take, for example --

19 A My suppliers?

20 Q Suppliers. Excuse me. Yes. You don't
21 have distributors.

22 Would your suppliers have provisions in
23 there that protect the brand, so to speak, that
24 they -- for example, say that the distributor
25 can't do anything to disparage or embarrass the

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1 **brand in the market?**

2 A I believe the -- some of the -- I
3 believe that the contracts mostly all say that,
4 yeah, something to that effect.

5 Q **So that's an industry standard term, to**
6 **your understanding?**

7 MR. REID: Calls -- calls for a legal
8 conclusion.

9 THE WITNESS: All I can say is I've
10 seen that language in most of the contracts that
11 I've dealt with, some language to that effect,
12 yes.

13 BY MR. WELSH:

14 Q **Do you think that's a fair and**
15 **reasonable term?**

16 MR. REID: Same objection. Calls for
17 a legal conclusion.

18 THE WITNESS: To my mind, it is. It
19 is reasonable.

20 BY MR. WELSH:

21 Q **All right. And from the supplier's**
22 **perspective, why do you think that's an important**
23 **term?**

24 A Because when you're selling their brand,
25 you -- you're representing them. To a customer

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1 that's buying their product, you're the -- you can
2 be the face of that brand. And it's important
3 that -- that you guys are -- that you're on the
4 same team, that you support each other, which is
5 why that -- you know, I mean, there's things that
6 I -- I have -- you know, I -- we talked about the
7 reputation of Sierra, and it's a good reputation.

8 But I've got to tell you, there's things
9 that I -- in these depositions that really make me
10 wonder about what kind of -- what kind of things
11 were they doing up there. Because, I mean,
12 there's e-mails that talk about -- that -- they
13 share with other beer suppliers talking about, you
14 know, private conversations they had with Paul,
15 stuff that seems to me highly inappropriate, and
16 just things that bother me.

17 **Q All right. I was just asking about the**
18 **importance of -- of those terms that are in**
19 **your --**

20 **A** Well, what I'm saying is they expect it
21 from me and I expect it from them --

22 **Q All right.**

23 **A** -- is what I'm saying. I don't expect
24 them to -- to go behind my back to a customer and
25 say, "Oh, that crummy Bonanza Beverage, if only

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1 Packaging that's not torn or ripped or falling
2 apart. Fresh beer. Rotated beer. That's my
3 understanding of quality assurance. But brand
4 standards can obviously overlap that.

5 **Q Do you use any other nomenclature to**
6 **refer to "brand standards"? Is there another --**

7 **A** I use the nomenclature that my suppliers
8 use, and they have an endless number of terms and
9 things.

10 **Q All of which would fall either under**
11 **brand standards or quality assurance standards**
12 **type --**

13 **A** Or something else. I mean, they have
14 terms for everything.

15 **Q All right. Let's just focus on brand**
16 **standards now.**

17 **A** Okay.

18 **Q Are they common in the beer industry?**

19 **A** For craft brewers, they are especially.
20 But even for -- for other -- other beer guys now.
21 It's becoming more -- more and more commonplace
22 with, say -- let's say a Mike's Hard Lemonade or
23 Smirnoff Ice, they have a lineup of brands that
24 they want to see on a shelf, say.

25 But Smirnoff brand standards obviously

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1 don't have anything to do with, say, draft or
2 something like that, because there is no draft.

3 Q How many beers does Bonanza distribute?

4 A Oh, I don't know.

5 Q Ballpark?

6 A By SKU or brewer?

7 Q A brewer. Let's go brewer.

8 A Oh, I don't know. 20, 25, something
9 like that.

10 Q How many of them have brand standards?

11 A All of the big ones do, I would say.

12 Q Boston Beer has brand standards;
13 correct?

14 A Very much so, yes.

15 Q Deschutes?

16 A Yes, but they're -- they're -- yeah,
17 they do.

18 Q We'll walk through them.

19 A We won't -- you know, if you want to
20 talk about who enforces them and who doesn't or
21 who -- you know, that's a different question.

22 Q Miller have brand standards?

23 A Very much so.

24 Q Can you give me some examples of brand
25 standards?

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1 A Well, I think we already talked a little
2 bit -- for example, on a Miller quality control
3 audit, what -- how much old beer you can have. If
4 the beer is over 30 days old, then -- then the --
5 that gets marked in a different way than a beer
6 that might be two days out of code, say. There's
7 just -- I mean, there's a book of rules and
8 regulations that's that thick for MillerCoors, and
9 that's -- their quality standards are the
10 standards that basically we follow as a company at
11 Bonanza Beverage.

12 Q Got it.

13 Do your brands, as part of their brand
14 standards, try to encourage Bonanza to give what
15 would be considered premium shelf space at retail?

16 A Very much so, yes.

17 Q Why is that?

18 A Well, because that -- because brand --
19 in a shelf setting, in an off-premise setting,
20 where the brand is on the shelf is very important
21 to the sales -- pardon me -- the sales of the
22 brand. It can be very -- be influential.

23 Q What is the best spot to have --

24 A Well, you can -- you can get some
25 disagreement. But in my opinion, it's eye level.

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1 A Yes.

2 Q How is it tracked?

3 A It's tracked -- the -- it's tracked
4 different ways in different segments of the
5 market. For example, a team goes in -- let's say
6 a team goes into the Westgate over here. They go
7 to -- you know, usually it's a prearranged event.
8 Right? You have to make an appointment with --
9 they don't like people just coming in and going
10 behind their bars and stuff, especially at a
11 hotel.

12 So they go in. They hit all of the
13 bars. They -- they dig through the wells. They
14 look for all -- you know, the places where they
15 store the beer, the places where beer might be
16 where they don't necessarily always tell you that
17 it is. They go to banquets. They go to catering.
18 They go to the bars. They go to the pools. They
19 go to the -- and then they --

20 If there's old beer, they pull it and
21 tag it. Sometimes they destroy it on the spot.
22 And then a report is generated to the -- to the
23 guy who runs the merchandising department. And
24 then he sends an e-mail recapping the -- recapping
25 the -- the rotation effort.

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1 Now, for a -- for an audit of a -- of a
2 route, of a sales route, like I told you before, a
3 person starts at -- they go through every account
4 on the route. They go through it. They go to
5 every account. They look through the account.
6 Let's say it's a bar route. They -- they go in.
7 They -- they look behind the bar. They look in
8 the back room. They -- they dig out the wells.
9 Any old beer that they find, they tag.

10 And then, again, a report is generated,
11 but it's -- there's a report every day, but let's
12 say it takes two weeks to go through the guy's
13 route. When the -- when the full audit is
14 completed, then a -- then a report is generated on
15 how the guy did based -- and it's got the location
16 where the beer was found, the page that was found,
17 the date. Sometimes if they see something that's
18 going to go out of code, they note that. There's
19 a place for notes.

20 Then the -- then the -- that report is
21 given to a gal in the office, and if it's -- if
22 it's a fail, right -- they give it to the gal in
23 the office. She tabulates the value of it,
24 divides it by 70/30. And then that goes to the
25 human resources guy, and he prepares paperwork

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1 that they have to sign, because we dock their pay.

2 Q How often are the routes audited?

3 A They're audited constantly.

4 Q Why is the -- why is that?

5 A Well, because you have to stay on top of
6 rotation all the time.

7 Q Do any of your suppliers require you to
8 keep inventory minimums?

9 A They suggest it. They do not
10 necessarily require it.

11 Q And which ones are those?

12 A All of them.

13 Q All of them.

14 What's the most inventory a supplier
15 makes you -- or --

16 A The most -- the guys that seem to want
17 the most -- and I think this has more to do with
18 their year-end financial reports -- is Diageo.
19 They do what they call a -- an order drill. It's
20 usually -- I think their fiscal ends at the end of
21 June.

22 So always at the end of their fiscal
23 year, they're always coming around asking for
24 additional orders. And, you know, usually pretty
25 insistent about it to -- because I think it looks

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1 at the distributor council meetings.

2 Q Do you -- do you know if Miller has ever
3 terminated a distributorship because it failed to
4 meet brand standards or quality assurance
5 standards?

6 A You're confusing two things there.
7 Quality assurance, I believe I've -- I don't know
8 if they have ever terminated anybody, but I know
9 they've come close.

10 Q Who -- which distributorship?

11 A Oh, you know, I don't -- I'm not -- I
12 don't want to -- it's long times ago.

13 Q All right. And here in Reno -- I mean,
14 in Nevada? Excuse me. Nevada?

15 A Not in Nevada. Other places.

16 Q Other places?

17 A But that's -- that's -- that's what you
18 can get terminated for, is quality assurance.
19 I've never heard of anybody getting terminated for
20 brand standards.

21 Q Have you ever heard of anybody who fails
22 to meet brand standards over and over without
23 showing any signs of improvement?

24 A I -- hopefully not me. But like I say,
25 it is -- it is a constant process. And, you know,

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1 **clean glassware was a brand standard?**

2 A I thought I saw it in one of the -- one
3 of the listings of what they look at.

4 Q **And you're not confusing this with the**
5 **draft lines and --**

6 A No, I don't think so.

7 Q **All right. Clean draft lines would be**
8 **a --**

9 A Absolutely.

10 Q **-- brand standard; correct?**

11 A Well, that's not a brand standard.
12 That's a quality standard.

13 Q **You're right. Quality standard.**
14 **How often does your company try to clean**
15 **the --**

16 A Every two weeks.

17 Q **Two weeks.**

18 **Is that industry standard?**

19 A I would say so.

20 Q **Do you track that?**

21 A Absolutely.

22 Q **How?**

23 A We get a report. All of the lines in
24 this town are cleaned by a company called Clark
25 County Beverage Management, and they provide a

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1 about it, but I've heard it.

2 Q All right. Which consulting groups do
3 you recall?

4 A No, I don't.

5 Q Do you -- were these Nevada -- or
6 Nevada, excuse me, distributors?

7 A Could have been. But I think it would
8 be more on a national context.

9 Q What are Sierra Nevada's quality
10 assurances standards?

11 A To keep the beer fresh and that you
12 rotate it and that you take care of the products.
13 The same with -- with anybody.

14 Q All right. So then there's nothing
15 about the Sierra Nevada quality assurance
16 standards that are unique?

17 A Well, the question I would have about
18 the Sierra standards is I don't know what the
19 standards are. And when I review the documents, I
20 don't -- I don't understand what -- what is the --
21 on an audit, say, or on a -- I guess a Fresh
22 Friday program, what is -- what is a passing --
23 what is a passing grade? What is a failing grade?
24 You know, what is -- you know, I don't -- I don't
25 get that sense reading through the documentation.

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1 BY MR. WELSH:

2 Q As a matter of industry practice, you
3 would not bill back for a discount -- "you,"
4 meaning a distributor, would not bill back for a
5 discount -- go back to the supplier for a discount
6 that wasn't passed on to the retailer; correct?

7 A I would not.

8 Q Now --

9 A Again, you know, I just -- I just want
10 to point out that we're dealing with an issue
11 that -- an issue that came up in the bill of
12 particulars against Crown, but that in my mind was
13 settled three years ago. I mean, Crown paid what
14 they owed, and everybody went on with their lives.
15 I mean, the issue was settled.

16 Q Mr. --

17 A And the -- in any business, when you --
18 when you have a problem or you have a
19 misunderstanding about what went on, you settle
20 the problem, Crown made good, and you -- you go
21 on, which is exactly what they did.

22 Q And that -- did you -- are you aware of
23 the existence of any documents from that 2013 time
24 period where it was clear that Mr. Whitney and
25 Mr. Foster from Sierra Nevada, both in management

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1 **promote its craft brands?**

2 A No, I don't.

3 **Q How much does Bonanza spend on average?**

4 A It varies. Usually what we set aside is
5 50 cents a case on -- on most of our craft
6 brands -- I'm trying to think -- even the smaller
7 ones. Some of the smaller ones we might spend
8 more.

9 It's a little bit of a different
10 calculation with Boston Beer, because Boston Beer
11 takes a -- marketing money automatically at 45
12 cents a case, which we don't really see at all. I
13 mean, we see it on advertising and stuff like
14 that. But -- so then, I think it's more like a --
15 like a dime or something.

16 **Q Do you know what industry standards are**
17 **for craft brands?**

18 A I don't know that there is one.

19 **Q Do you know how much money Crown spends**
20 **on a per-case basis on its craft brands --**
21 **marketing its craft brands?**

22 A No, I already said I don't.

23 **Q Okay. Do you know how much Jaye and**
24 **Paul Bond pay each other per year?**

25 A No.

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1 MR. WELSH: All right. He's about to
2 run out of time on his video, so we need to take a
3 break so he can change the disk.

4 THE WITNESS: Okay.

5 MR. WELSH: So we'll be back in five
6 minutes or so.

7 THE VIDEOGRAPHER: Off the video
8 record at 2:56.

9 (Whereupon, a recess was taken.)

10 THE VIDEOGRAPHER: This is the
11 beginning of Media No. 4. Back on the video
12 record at 3:07.

13 BY MR. WELSH:

14 Q Do you think it's ever appropriate --
15 I'm sorry. I'll let you finish your water before
16 I --

17 A Go ahead.

18 Q -- for a person at the warehouse or a
19 manager at the warehouse to call anyone in the
20 trade while they're intoxicated?

21 A No.

22 Q Do you guy have a policy about having
23 weapons on premises at Bonanza?

24 A Not a strictly written policy. I mean,
25 for example, my dad for many years kept his

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1 hunting rifles leaning in the corner of his
2 office. But in terms of employees, you know,
3 bringing guns to work or something like that, I
4 mean, we've never really had that problem.

5 One time a guy came in with a machete
6 and -- and basically we fired him over it, a
7 driver. And so we don't have a written policy
8 that I -- I don't believe, but -- but it -- I
9 would say that we do not let people bring their
10 weapons to -- to work if we know about it.

11 Q Let's say in the last five years, you
12 guys have guns on premises?

13 A Not that I know of, nope.

14 Q All right. Do you understand how the
15 presence of guns, that might intimidate some
16 people?

17 A Yeah, sure. I -- if they were visible,
18 I guess, sure.

19 Q Because guns are kind of dangerous.

20 A Yeah.

21 Q Have you -- were you taught to always
22 assume a gun is a loaded gun?

23 A I was.

24 Q All right. Do you think that's wise
25 advice?

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1 A Yes.

2 Q All right. So are you familiar with the
3 letter that Mr. Whitney wrote to Mr. Bond about
4 the presence of guns on Crown's premises in the
5 September 2014 time period?

6 A Is that the one that refers to the
7 judge?

8 Q It doesn't mention any weapon by name.
9 It just talks about a dispute between the parties
10 about interpersonal issues and performance issues.

11 A I'm not sure that I do. I remember I
12 think a letter from Joe -- I thought it was from
13 Joe Whitney that said something about -- talking
14 about a gun that Paul -- that he ominously refers
15 to as the judge. That's -- that's the phrase
16 that -- that really struck me.

17 MR. REID: That's his phrase, but --

18 THE WITNESS: Oh, that -- that was
19 your letter?

20 BY MR. WELSH:

21 Q That's the 2016 letter; correct?

22 A I think it is.

23 Q Do you recall reading a letter from
24 Mr. Whitney in the 2014 time period?

25 A You know, I might have read it, but I

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1 A Whenever you're working. I mean, you
2 can be working past 9:00 to 5:00 and, like, say,
3 be at a -- let's say we're doing a beer dinner or
4 let's say we're doing a -- kicking off Stone
5 Domination at a craft bar. Yeah, we're buying
6 beers. We expect people to have a couple of
7 beers.

8 But we also make it very clear that --
9 you know, we -- we employ, like, this ride service
10 that drives you and your car home. If you need to
11 take it, take it. If you need a ride, take it.
12 But, yeah, we -- we frown on drinking during the
13 day.

14 Q **Why is that?**

15 A Well, because it -- it cuts down on
16 people's productivity and ability to do work.

17 Q **Do you agree with me that people are**
18 **more apt to make mistakes when they're drinking?**

19 A I think that could be possible.

20 Q **Do you think that people are more apt to**
21 **be aggressive when they're drinking?**

22 A Some people are.

23 Q **Did you ask Mr. Bond about his drinking**
24 **at all?**

25 A I did not.

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1 out-of-code, out-of-stock, out-of-rotation --

2 A Now, that's their quality standards,
3 we're talking.

4 Q Those are quality standards.

5 Those are all clear; correct?

6 A In my mind, yeah.

7 Q And in terms of the brand standards,
8 wanting to have as many six-packs and front
9 facing, you know, bottles as your leading
10 competitors, wanting to eye level and all of that,
11 those are relatively clear as well; correct?

12 A To the extent that I'm -- I know them,
13 yeah.

14 Q All right. Now, in terms of the
15 statement that there's no way to verify the
16 accuracy of what Mr. Rosario did --

17 MR. REID: Where are you -- where are
18 referring?

19 MR. WELSH: I'm just -- well, I
20 just -- he just -- he read the part about no way
21 to verify the accuracy.

22 MR. REID: Okay.

23 THE WITNESS: Right.

24 BY MR. WELSH:

25 Q Okay. You just read it.

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1 based on what he said.

2 Q I would like you to assume that they
3 only visit 40 accounts a month, as opposed to 45
4 per week.

5 Do you think that would be insufficient?

6 A 45 a month?

7 Q Yeah. 40 a month.

8 A And that's the only -- only quality
9 control that you're doing or --

10 Q Yes, by Crown.

11 MR. REID: Well, that -- that's an
12 improper hypothetical. It assumes facts that are
13 false. But with that understanding ...

14 THE WITNESS: To me, that would sound
15 light.

16 BY MR. WELSH:

17 Q Light. Okay.

18 Do you know whether or not Mr. Bond
19 refused the Better Beer Business Account Survey
20 reports?

21 A Again, it's just my impression, based on
22 talking to him about this stuff and I think
23 something in his deposition, my -- I have an
24 impression that he maybe reviewed some of them.
25 I'm not sure that -- that he would necessarily be

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1 Q All right. Do they have Raley's in
2 Arizona?

3 A You got me.

4 Q I don't think they do, but I don't know,
5 so not willing to bet \$1,000 on that.

6 I want to talk a little bit about the
7 Bonanza Beverage website and social media
8 presence.

9 A Okay.

10 Q You guys got a Twitter account?

11 A I think we do, yeah.

12 Q It's pretty nice; right? You guys
13 promote a bunch of beers on that?

14 A Yeah, we do. I mean, we've struggled
15 with it. I don't know if it's as good as it could
16 be. I don't know.

17 What did you think of it?

18 Q I thought it was cool.

19 A Did you?

20 Q Yeah.

21 A Good. I'm glad to hear -- I'm glad to
22 hear that.

23 Q What about --

24 A Believe me, we struggled with it.

25 Q What about your Facebook account?

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1 A Again, you know, it's something I think
2 we struggled with a little bit. I mean, you know,
3 our marketing guy is supposed to keep it up and
4 keep it -- and our craft guy, you know, he's
5 supposed to be involved with it. But I have to
6 tell you, I don't follow it. And sometimes I
7 worry about what -- you know, what's on it or if
8 it's updated or they're keeping it current.

9 Q Do you understand, within the -- within
10 the craft business or the craft space, that having
11 a social media presence is a little bit more
12 important?

13 A I do.

14 Q Who told you that?

15 A I gleaned it. The same way I gleaned
16 about what "good cause" means.

17 Q Got it.

18 A From my experience.

19 Q And you have a website, as well, a
20 Bonanza Beverage website?

21 A Correct.

22 Q And on that website, you -- you promote
23 a -- all of your craft brands and your premium
24 brands?

25 A We try to, yeah.

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1 Mr. Bond was in a leadership role at Crown, made
2 the decision to contract with Sierra Nevada.

3 Are you aware of that?

4 A I am aware of that.

5 Q Okay.

6 A But did -- are you saying that when he
7 took on Lagunitas and he took on Deschutes and he
8 took on these other brands, are you saying that he
9 wasn't involved in that? How can you say that?

10 Q I'm not supposed to answer those
11 questions because of the process in place. I'll
12 move on.

13 A Okay. Well, all right. Then forget it.

14 Q What -- what is Jaye Bonds' -- what are
15 her duties at Crown?

16 A I don't know.

17 Q All right. Did you give a -- did you
18 review any of Mrs. Bonds' testimony?

19 A I don't believe I did.

20 Q Do you know whether or not Mr. Bonds is
21 considering retiring?

22 A No, I don't.

23 Q Have you heard in the market one way or
24 the other whether --

25 A Nope, I haven't heard anything about it.

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1 CERTIFICATE OF COURT REPORTER


2 STATE OF NEVADA)
3) ss:
4 COUNTY OF CLARK)

5 I, Heidi K. Konsten, Certified Court Reporter
6 licensed by the State of Nevada, do hereby certify
7 that I reported the deposition of BILL GIALKETSIS,
8 commencing on April 13, 2017, at 9:03 a.m.

9 Prior to being deposed, the witness was duly
10 sworn by me to testify to the truth. I thereafter
11 transcribed my said stenographic notes via
12 computer-aided transcription into written form,
13 and that the transcript is a complete, true and
14 accurate transcription and that a request was made
15 for a review of the transcript.

16 I further certify that I am not a relative,
17 employee or independent contractor of counsel or
18 any party involved in the proceeding, nor a person
19 financially interested in the proceeding, nor do I
20 have any other relationship that may reasonably
21 cause my impartiality to be questioned.

22 IN WITNESS WHEREOF, I have set my hand in my
23 office in the County of Clark, State of Nevada,
24 this April 18, 2017.

25 
Heidi K. Konsten, RPR, CCR No. 845